



**NATIONAL LOW INCOME  
HOUSING COALITION**

*Dedicated solely to ending America's  
affordable housing crisis*

**Testimony of George Moses, Chair, Board of Directors  
National Low Income Housing Coalition**

**House Government Reform Subcommittee on Federalism and the Census  
The Honorable Michael Turner, Chair  
The Honorable Wm. Lacy Clay, Ranking Member**

**June 20, 2006**

My name is George Moses. Thank you for the opportunity to testify before the House Government Reform Subcommittee on Federalism and the Census. I am Chair of the Board of Directors of the National Low Income Housing Coalition. I reside in Pittsburgh, PA, where I am a tenant organizer, a member of the Southwestern Pennsylvania Alliance of HUD Tenants, and a member of the Board of Directors of the Housing Alliance of Pennsylvania. I was a Section 8 resident for 15 years, until last month.

I was elected Chair of the National Low Income Housing Coalition in February of this year and am the first tenant to serve in this role. The members of National Low Income Housing Coalition who I am proud to lead include public and assisted housing residents and their organizations, non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations and concerned citizens. While our members include the wide spectrum of housing interests, we do not represent any segment of the housing industry. Rather, we focus exclusively on what is in the best interests of people who receive and those who are in need of federal housing assistance. These are people with low incomes.

I am here today to share with you my perspectives on the subjects of self-sufficiency and poverty deconcentration as they relate to federally-assisted affordable housing.

On the matter of self-sufficiency, I would submit that none of us are truly self-sufficient. Everyone relies on or is advantaged in some way by public programs and policies that promote and support family and community well-being, not the least of which are the federal tax expenditures that subsidize homeowners in the United States.

If we define self-sufficiency as being able to take care of oneself and one's family, I would argue that all residents of federally-assisted HUD housing are self-sufficient because they have found a way to afford housing in a market where there simply are no other affordable alternatives. As National Low Income Housing Coalition research has shown, there is nowhere in the United States where you can work full time at minimum wage and afford the local fair market rent for a

one bedroom apartment. The private market does not meet the housing needs of the lowest income Americans. In Pittsburgh, there is a deficit of more than 15,000 units affordable and available to people with incomes below 30% of area median. Unless this reality changes, the federal government has to help bridge the gap between what housing costs and what low wage earners and people on fixed incomes can afford.

A few of HUD's programs have attempted to provide self-sufficiency opportunities to residents. One of these programs is the Moving to Work public housing demonstration program. The goals of this program are to reduce PHA costs, incentivize toward work, and education and increase housing choices for families. One of the ways public housing authorities participating in the Moving to Work demonstration have attempted to move residents toward self-sufficiency is by changing the rent structure so that rent-setting is not longer based on income. The rent policy plans within the Moving to Work demonstration housing authorities of Tulare (in Visalia, California); Keene, New Hampshire; Portage (in Ravenna, Ohio); and San Antonio allow the housing authority to waive the Brooke rule, which provides that only rents up to 30% of adjusted income are affordable. These Moving to Work rent plans would actually divorce rents from incomes, setting up the possibility that rents would not even be affordable within the nation's federal housing safety net. This is truly the "stick" approach to encouraging increased earned income.

To incentivize work, the National Low Income Housing Coalition supports the rent simplification changes proposed by H.R. 5443. These include residents not having to report increased earned income to the public housing authority until their next annual recertification and a blanket disregard of 10% of earned income. We believe that these are practical ways to encourage residents to increase earned income without forcing unaffordable rents upon extremely low income households.

We acknowledge that some public housing authorities may implement policies beneficial to extremely low income households in the Moving to Work demonstration. That certainly is not our concern. Our concern is focused on the ability public housing authorities have under Moving to Work to harm the lowest income households and/or not meet their communities' most pressing housing needs. The results of Moving to Work of the moving to work demonstration are, at best, inconclusive.

Not even a year ago, media articles appeared about how the Atlanta Housing Authority, using its "flexibilities" as a Moving to Work demonstration site, was about to evict public housing residents for failure to work at least 30 hours a week, be in a work-training program or attend school. The Atlanta Housing Authority was requiring that all non-exempt residents work or be in training for 30 hours a week, not just heads of households as allowed under statute. Under Moving to Work, the Atlanta Housing Authority also increased minimum rents to \$125 a month, a staggering amount for people with extremely low incomes.

Last week, on June 6, HUD's Office of the Inspector General released a report finding that HUD did not follow statutory requirements when it admitted the Baltimore Housing Authority into the Moving to Work program. The OIG found that Baltimore never had a local hearing on its Moving to Work plan, never considered comments on the plan, did not submit a full plan to

HUD and was not a high-performing public housing authority. Still, HUD approved Baltimore's plan. With such gross oversight problems managing a field of 32 Moving to Work sites (some of which are no longer active), we do not think there are solid arguments for the program's expansion.

For Moving to Work, including existing demonstration sites and any contemplated expansion, a number of improvements are necessary. Annual consultations with residents and community members should be required, comments should be considered, income targeting must be in line with the greatest housing needs, Federal housing affordability standards must be maintained, all policies must be in writing for and accessible to residents and members of the community, performance standards should be better aligned with the program's goals (the households most in need of assistance as identified in the Consolidated Plan should be assisted) and the program must be better established so that real evaluations can be completed.

Some propose time-limiting assistance in the housing choice voucher program as a way to spur self-sufficiency. This is an unnecessary proposal whose only impact will be to harm the people least able to afford rents in the private market. In the voucher program today, 59% of voucher holders use vouchers for less than five years. Over half (51%) of voucher holders' income is from Social Security or SSI, indicating they are retired or disabled and not expected to participate in the work force. Imposing time limits would be punitive and unnecessary.

On the issue of deconcentrating poverty, my experience has been that, even though a neighborhood's physical appearance may not look so good from the outside, there still exists a community. In my neighborhood, people would gather to talk, watch one another's children, and form strong bonds. Although it might have looked to some like not such a good neighborhood, there was good neighboring. We must be extremely careful when we interrupt this neighboring and community under the name of revitalization or deconcentration of poverty. When you tear that all that apart, people don't know their neighbors, don't know who to turn to when they need a babysitter, a quart of milk, someone to talk to.

From our perspective, it is about choice. When HOPE VI demolishes public housing under the name of deconcentration but only provides vouchers that can often only be used in other high-poverty neighborhoods, that is not choice. When officials proclaim that all who wish to can return to New Orleans but there is no plan to rebuild housing affordable to the lowest income people, that is not choice. To claim to want to deconcentrate poverty but then offer no real choice for how extremely poor people can afford to live in low-poverty areas is much more about displacement and the disappearance of the nation's federal housing safety net.

HUD's HOPE VI program brought with it promise. What too many communities have been left with, however, is a net loss of units affordable to the people whose housing was destroyed under HOPE VI. Through the HOPE VI program, as of June 30, 2005, HUD had demolished more than 76,000 public housing units, relocated 60,923 households and completed the new construction or rehabilitation of more than 43,000 units. This gap between 76,000 and 43,000 represents a glaring loss of affordable units. The program's emphasis on poverty

deconcentration has meant that too many of the 43,000 new or rebuilt units are not affordable to many of those displaced by the demolition of 76,000 units.

With programmatic changes since 2004, the voucher program in many jurisdictions has lost or has been on the verge of losing one of its fundamental functions: portability, the ability of voucher holders to move to another public housing authority jurisdiction with their vouchers. Much of poverty deconcentration is about real choice in where to live. Today's vouchers are portable and allow households to move where they like. These are personal decisions based on complex circumstances and should not be restricted by HUD.

As long as there is a "public" affiliation between the local housing authority and Congressional appropriations, Congress must ensure that scarce housing assistance funds serve the lowest income households. In Pennsylvania, more than 87% of households with incomes below 30% of area median pay more than half of their incomes toward rent. Only 10% of households with incomes between 31 and 50% of area median do so. In Ohio, more than 90% of households with incomes below 30% of area median pay more than half of their incomes toward rent. Only 8% of households with incomes between 31 and 50% of area median do so. Assisting higher income households may be easier but doing so will not solve the nation's affordable housing needs.

Across the United States, there are hundreds of thousands of households on waiting lists for public and assisted housing. In many cities, it takes years to receive housing assistance. In the meanwhile, people experience homelessness, pay more than half (or more) of their incomes toward housing, living in substandard housing or commute vast distances between affordable housing and jobs. None of these solutions bring health, stability and hope to families. More people in the United States suffer from housing problems than lack health insurance but, still, there does not seem to be a national commitment to address the nation's housing needs.

The National Low Income Housing Coalition proposes a new housing production and preservation program, a National Housing Trust Fund. Such a fund, as it exists in H.R. 1461, would provide new, off-budget resources to produce and preserve housing for extremely low income people. This solution is desperately needed and it is at hand. We know how to solve the nation's housing crisis, by producing and preserving housing affordable to low income people. There is a tremendous network of housing professionals ready to take on the task, they just need the resources to do so.

Thank you for this opportunity to share our views with you. We appreciate the work of this Subcommittee and look forward to working with you in the future.